



EXTERNAL REPORTING BOARD

Te Kāwai Ārahi Pūrongo Mōwaho

EXTERNAL REPORTING ADVISORY PANEL: TERMS OF REFERENCE

Latest Revision: July 2014

Objective and Scope of Activities

- 1 The objective of the External Reporting Advisory Panel (XRAP) of the External Reporting Board (XRB) is to provide a forum where the XRB Board and its two standard setting boards (the New Zealand Accounting Standards Boards and the New Zealand Auditing and Assurance Standards Board) can consult individuals and representatives of organisations affected by its work.
- 2 As part of that consultative process the XRAP is responsible for providing advice to the three Boards on a range of strategic and tactical issues including, but not limited to, the following:
 - Issues relating to the external reporting environment in New Zealand;
 - The New Zealand standard setting framework;
 - Projects on the Boards' agendas;
 - Practical application and implementation issues.

Composition and Membership

- 3 Members of the XRAP are to be appointed by the XRB Board, on the advice of the Board's Nomination Committee in consultation with the XRAP Chair.
- 4 The XRAP is to consist of 15-20 persons who are individuals, or representatives of organisations, interested in the development of high quality accounting standards and auditing and assurance standards. The membership is to include a range of functional backgrounds with members drawn from user groups, preparers (both management and directors), financial analysts, academics, auditors, regulators and professional associations. Where possible the XRAP should comprise parts of the constituency that the XRB organisation does not otherwise have access to as part of its constituency engagement activities.
- 5 Members are to be appointed for an initial term of two years. Appointments may be renewable for up to a further four years. The maximum period of a member is to be six years, unless the XRB Board agrees otherwise.
- 6 In the interests of retaining an active and engaged membership, a member who does not attend two consecutive meetings of the XRAP will be asked to stand down.
- 7 Members are expected to express their individual views at XRAP meetings unless it is expressly stated that the view expressed is the opinion of an organisation they represent.

Chair

- 8 The Chair of the XRAP is to be appointed by the XRB Board. The term of office of the Chair is to be two years but may be renewable for up to a further four years. The maximum term of office is to be six years.
- 9 The Chair of the XRAP is expected to be a champion for XRB stakeholders. The Chair is to provide leadership to the XRAP and is to ensure that the XRB receives timely and effective input that contributes to the development of high quality standards that have broad acceptance. To achieve this goal, the Chair is expected to work closely with the Chairperson of the XRB and senior staff to identify, on a timely basis, matters on which the XRAP's advice should be sought.

Operating Procedures

Meeting details

- 10 The XRAP is to meet twice a year, but additional meetings may be convened at the request of the XRAP Chair or the XRB.
- 11 The Chairs of the XRB Board, NZASB and NZAuASB, other board members (as appropriate) and those senior staff who are responsible for items on the agenda may also attend XRAP meetings.
- 12 Secretarial support for the meetings will be provided by the XRB staff.
- 13 The meetings of the XRAP are to be held in closed session.

Meeting agenda and papers

- 14 The Chair of the XRAP, in consultation with the Chairperson of the XRB and the Chief Executive, is to be responsible for preparing the agenda for each meeting. XRAP members are to be encouraged to submit items for inclusion in the agenda in advance of the meeting date and in accordance with the timing determined by the Chair.
- 15 Written materials supporting the XRAP agenda items are to be provided before each meeting. A briefing paper highlighting the issues on which specific guidance is sought from the XRAP is usually to be prepared for each topic. Members of the XRAP may seek the views of others ahead of the meeting.
- 16 The following minimum timings are to be followed:
 - The agenda and agenda papers are to be distributed to XRAP members at least 10 days before each XRAP meeting.
 - Minutes of each meeting are to be distributed to XRAP members within 14 days of each meeting.

Conduct of meetings

- 17 Members may present written materials for circulation to the meeting, preferably in advance. Where a member of XRAP has prepared such written material they are to be invited to address the meeting. An XRB Board Member or member of staff may provide a briefing to provide context and background for any XRAP discussion.
- 18 Members are to be invited to comment on the questions raised by the XRB or any related matters. While the XRAP is not a decision-making body, the Chair may call for a formal poll to demonstrate to the XRB the extent of support within the XRAP for a particular point of view.

Subcommittees

- 19 In order to improve the quality of comment submitted to the XRB, a subcommittee of knowledgeable XRAP members may be invited to provide specialist or expert comment to the XRB. A report on the advice provided by any such subcommittee is to be provided to the next XRAP meeting.